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DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-870]

Certain Oil Country Tubular Goods from the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review; 2017-2018

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that certain oil country tubular goods (OCTG) from the Republic of Korea (Korea) are being sold in the United States at prices below normal value. The period of review (POR) is September 1, 2017 through August 31, 2018. Interested parties are invited to comment on these preliminary results.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Davina Friedmann or Julie Geiger, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0698 or (202) 482-2057, respectively.

SUPPLEMENTARY INFORMATION:

Background

These preliminary results are made in accordance with section 733(b) of the Tariff Act of 1930, as amended (the Act). Commerce published the notice of initiation of this administrative

review on November 15, 2018.¹ Commerce exercised its discretion to toll all deadlines affected by the partial federal government closure from December 22, 2018 through the resumption of operations on January 29, 2019.² Commerce selected Hyundai Steel Company (Hyundai Steel) and SeAH Steel Corporation (SeAH) as the two mandatory respondents in this review.³ Commerce extended the time limit for completing the preliminary results of this administrative review, and the revised deadline is now November 8, 2019.⁴ On August 6, 2019, Commerce received a timely filed allegation that a particular market situation (PMS) existed with respect to Hyundai Steel's and SeAH's costs of production of OCTG in Korea during the POR.⁵ For a complete description of the events that followed the initiation of this investigation, *see* the Preliminary Decision Memorandum, dated concurrently with these preliminary results and hereby adopted by this notice.⁶

A list of topics included in the Preliminary Decision Memorandum is included as Appendix I to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at

¹ *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 83 FR 57411 (November 15, 2018) (*Initiation Notice*).

² *See* Memorandum to the Record from Gary Taverman, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance, "Deadlines Affected by the Partial Shutdown of the Federal Government," dated January 28, 2019. All deadlines in this segment of the proceeding have been extended by 40 days.

³ *See* Memorandum, "2017-2018 Administrative Review of the Antidumping Duty Order on Oil Country Tubular Goods from the Republic of Korea: Respondent Selection," dated February 15, 2019.

⁴ *See* Memoranda, "Certain Oil Country Tubular Goods from the Republic of Korea: Extension of Time Limit for Preliminary Results of Antidumping Duty Administrative Review" dated July 1, 2019; "Certain Oil Country Tubular Goods from the Republic of Korea: Extension of Time Limit for Preliminary Results of Antidumping Duty Administrative Review," dated September 6, 2019; and "Certain Oil Country Tubular Goods from the Republic of Korea: Extension of Time Limit for Preliminary Results of Antidumping Duty Administrative Review," dated October 31, 2019.

⁵ *See* Domestic Interested Parties' Letter, "Oil Country Tubular Goods from the Republic of Korea: Particular Market Situation Allegation," dated August 6, 2019 (PMS Allegation).

⁶ *See* Memorandum, "Decision Memorandum for the Preliminary Results in the 2017-2018 Administrative Review of Oil Country Tubular Goods from the Republic of Korea" dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

<https://access.trade.gov>, and to all parties in the Central Records Unit, room B8024 of the main Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and the electronic versions of the Preliminary Decision Memorandum are identical in content.

Scope of the Order

The product covered by the *Order*⁷ is OCTG from Korea. For a complete description of the scope of the *Order*, see the Preliminary Decision Memorandum.

Methodology

Commerce is conducting this administrative review in accordance with section 751(a)(2) of the Act. Commerce has calculated export prices in accordance with section 772(a) of the Act. Constructed export prices have been calculated in accordance with section 772(b) of the Act. Normal value (NV) is calculated in accordance with section 773 of the Act. For the reasons more fully explained in the proprietary PMS Memorandum, Commerce preliminarily finds that a cost-based PMS existed in Korea during the POR concerning the cost of hot-rolled coil (HRC) as a component of the cost of production for the OCTG that Hyundai Steel and SeAH produced.⁸ Specifically, we quantified the impact of the PMS on the material cost of HRC, and derived a corresponding adjustment factor that, when applied to the costs of HRC, accounts for the distortions induced by the observed PMS.⁹ For a full description of the methodology underlying our conclusions, see the Preliminary Decision Memorandum.

⁷ See *Certain Oil Country Tubular Goods from India, the Republic of Korea, Taiwan, the Republic of Turkey, and the Socialist Republic of Vietnam: Antidumping Duty Orders; and Certain Oil Country Tubular Goods from the Socialist Republic of Vietnam: Amended Final Determination of Sales at Less Than Fair Value*, 79 FR 53691 (September 10, 2014) (*Order*).

⁸ For a complete discussion, see Memorandum, “2017-2018 Administrative Review of Antidumping Duty Order on Certain Oil Country Tubular Goods from the Republic of Korea: Decisions on Particular Market Situation Allegations,” dated concurrently with this *Federal Register Notice* (PMS Memorandum).

⁹ See PMS Memorandum.

Rates for Non-Examined Companies

The statute and Commerce's regulations do not address the establishment of a rate to be applied to companies not selected for examination when Commerce limits its examination in an administrative review pursuant to section 777A(c)(2) of the Act. Generally, Commerce looks to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in a market economy investigation, for guidance when calculating the rate for companies which were not selected for individual examination in an administrative review. Under section 735(c)(5)(A) of the Act, the all-others rate is normally "an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any zero or *de minimis* margins, and any margins determined entirely {on the basis of facts available}."

In this review, we have preliminarily calculated weighted-average dumping margins for Hyundai Steel and SeAH that are not zero, *de minimis*, or determined entirely on the basis of facts available. Accordingly, Commerce preliminarily has assigned to the companies not individually examined (*see* Appendix II for a full list of these companies) a margin of 13.16 percent, which is the weighted average of Hyundai Steel's and SeAH's calculated weighted-average dumping margins.¹⁰

Preliminary Results of Review

Commerce preliminarily determines that, for the period September 1, 2017 through August 31, 2018, the following weighted-average dumping margins exist:

¹⁰ For more information regarding the calculation of this margin, *see* Memorandum, "Preliminary Results of the 2017-2018 Administrative Review of Certain Oil Country Tubular Goods from the Republic of Korea; Calculation of the Margin for Non-Examined Companies," dated concurrently with this memorandum. As the weighting factor, we relied on the publicly ranged sales data reported in Hyundai Steel's and SeAH's quantity and value charts.

Exporter/Producer	Estimated Weighted-Average Dumping Margin (percent)
Hyundai Steel Company	0.77
SeAH Steel Corporation	17.04
Non-examined companies	13.16

Disclosure, Public Comment, and Opportunity to Request a Hearing

We intend to disclose the calculations performed for these preliminary results of review to interested parties within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b). Pursuant to 19 CFR 351.309(c), interested parties may submit case briefs no later than 30 days after the date of publication of this notice. Rebuttal briefs, the content of which is limited to issues raised in the case briefs, may be filed no later than five days after the date for filing case briefs.¹¹ Parties who submit case briefs or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.¹² Case and rebuttal briefs should be filed using ACCESS¹³ and must be served on interested parties.¹⁴ Executive summaries should be limited to five pages total, including footnotes.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via Commerce's electronic records system, ACCESS. An electronically filed request must be received successfully in its entirety by 5:00 p.m. Eastern Time within 30 days of

¹¹ See 19 CFR 351.309(d).

¹² See 19 CFR 351.309(c)(2) and (d)(2).

¹³ See generally 19 CFR 351.303.

¹⁴ See 19 CFR 351.303(f).

the date of publication of this notice.¹⁵ Requests should contain: (1) the party's name, address and telephone number; (2) the number of participants; and (3) a list of issues parties intend to discuss. Issues raised in the hearing will be limited to those raised in the respective case and rebuttal briefs. If a request for a hearing is made, Commerce intends to hold the hearing at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, at a date and time to be determined.¹⁶ Parties should confirm the date, time, and location of the hearing two days before the scheduled date.

Commerce intends to issue the final results of this administrative review, including the results of its analysis of the issues raised in any case or rebuttal briefs, no later than 120 days after the date of publication of this notice, unless extended.¹⁷

Assessment Rates

Upon completion of this administrative review, Commerce shall determine, and CBP shall assess, antidumping duties on all appropriate entries. We intend to issue liquidation instructions to CBP 15 days after publication of the final results of this review.

For any individually examined respondent whose weighted-average dumping margin is not zero or *de minimis* (i.e., less than 0.5 percent) in the final results of this review, if the respondent reported reliable entered values, we will calculate importer-specific *ad valorem* assessment rates for the merchandise based on the ratio of the total amount of dumping calculated for the examined sales made to each importer and the total entered value of those same sales, in accordance with 19 CFR 351.212(b)(1). If the respondent has not reported reliable entered values, we will calculate a per-unit assessment rate for each importer by dividing the

¹⁵ See 19 CFR 351.310(c).

¹⁶ See 19 CFR 351.310(d).

¹⁷ See section 751(a)(3)(A) of the Act and 19 CFR 351.213(h).

total amount of dumping calculated for the examined sales made to that importer by the total sales quantity associated with those transactions. Where an importer-specific *ad valorem* assessment rate is zero or *de minimis* in the final results of review, we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties in accordance with 19 CFR 351.106(c)(2). If a respondent's weighted-average dumping margin is zero or *de minimis* in the final results of review, we will instruct CBP not to assess duties on any of its entries in accordance with the *Final Modification for Reviews*, i.e., “{w}here the weighted-average margin of dumping for the exporter is determined to be zero or *de minimis*, no antidumping duties will be assessed.”¹⁸

For entries of subject merchandise during the POR produced by Hyundai Steel or SeAH for which the producer did not know its merchandise was destined for the United States, or for any respondent for which we have a final determination of no shipments, we will instruct CBP to liquidate unreviewed entries at the all-others rate if there is no rate for the intermediate company(ies) involved in the transaction.¹⁹

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the notice of final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication, as provided by section 751(a)(2) of the Act: (1) the cash deposit rate for the companies listed in the final results of review will be equal to the weighted-average dumping margin established in the final

¹⁸ See *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification*, 77 FR 8101, 8102 (February 14, 2012) (*Final Modification for Reviews*).

¹⁹ See *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

results of this administrative review; (2) for merchandise exported by producers or exporters not covered in this review but covered in a prior segment of the proceeding, the cash deposit rate will continue to be the company-specific rate published for the most recently completed segment of this proceeding in which they were reviewed; (3) if the exporter is not a firm covered in this review, a prior review, or the original investigation but the producer is, then the cash deposit rate will be the rate established for the most recently completed segment of this proceeding for the producer of the merchandise; (4) the cash deposit rate for all other producers or exporters will continue to be 5.24 percent,²⁰ the all-others rate established in the less-than-fair-value investigation. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this POR. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

²⁰ See *Certain Oil Country Tubular Goods from the Republic of Korea: Notice of Court Decision Not in Harmony With Final Determination*, 81 FR 59603 (August 30, 2016).

Notification to Interested Parties

The results of this review are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(4).

Dated: November 8, 2019.

Jeffrey I. Kessler,

Assistant Secretary

for Enforcement and Compliance.

Appendix I

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Rates for Non-Examined Companies
- V. Duty Absorption
- VI. Affiliation
- VII. Discussion of the Methodology
- VIII. Currency Conversion
- IX. Recommendation

Appendix II

List of Companies Not Individually Examined

AJU Besteel Co., Ltd.

BDP International

Daewoo America

Daewoo International Corporation

Dong Yang Steel Pipe.

Dong-A Steel Co. Ltd.

Dongbu Incheon Steel.

DSEC.

Emdtebruecker Eisenwerk and Company

Hansol Metal.

Husteel Co., Ltd.

Hyundai RB

ILJIN Steel Corporation.

Jim And Freight Co., Ltd.

Kia Steel Co. Ltd.

KSP Steel Company

Kukje Steel

Kumkang Kind Co., Ltd.

Kurvers

NEXTEEL Co., Ltd.

POSCO Daewoo America

POSCO Daewoo Corporation

Samsung

Samsung C and T Corporation.

SeAH Besteel Corporation

Steel Canada

Sumitomo Corporation

TGS Pipe

Yonghyun Base Materials

ZEECO Asia

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